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FOREIGN SERVICE DESPATCH

FROM: AMEMBASSY, GUATEMALA — DESP. NO. 1008

TO: THE DEPARTMENT OF STATE, WASHINGTON — DATE: June 11, 1954

REF: -- Action Taken

	ACTION	DEPT.
For Dept. Use Only	OTI-10	OCR-IR-2 ARA-2 USIA-8 MC-1
	REC'D 6/14	INFO OTHER ARMY/OSI Action ARA-4 149 A4-1-3 HR-24 CIA-15 OSD-2 OSR

SUBJECT: Joint Weeka No. 23 for State, Army and Air Departments from SA

Name of Officer

SUMMARY

Direction to DC/R

The issuance on the morning of June 8 of the decree suspending Constitutional guarantees for a period of thirty days once more aroused in Guatemala a widespread feeling of imminent crisis. With the disappearance of reports about significant local developments from the Guatemalan newspapers as a result of the censorship imposed following the suspension, the rumor mills set to work to fill this informational void, turning out a voluminous, sensational and highly unreliable type of intelligence. Stories of impending invasion by the Guatemalan exiles in Honduras under the leadership of Carlos CASTILLO Armas, the flight of Guatemalan military personnel to the ranks of Castillo Armas, and of the arming of peasant and Communist groups to massacre the opponents of the Government are rife. The decision to suspend the guarantees is generally interpreted as reflecting the Government's anxiety about the situation.

One certain event which undoubtedly greatly perturbed the Government was the flight on June 7 of an unidentified C-47 plane over the city of Quezaltenango and various small towns in the western part of the country, dropping leaflets declaring that "The Fortuny-Arbenz regime, after having sold itself to atheist Russia, is planning to place the Army under the command of the Soviet political leaders and commissars. Our country is lost unless we save it now while there is time. If you are neither a Communist nor a coward, join Castillo Armas in the ranks of liberation ... The hour of action is rapidly approaching".

One of the most frequently heard stories which, however, has been flatly denied by the police is that a Guatemalan plane, one of two which took off to capture the C-47 over Quezaltenango, did not return to its base, and the general assumption is that it flew to an airport outside of the country where its crew joined Castillo Armas. It is not known what basis exists for the reports that from six to 31 cadets from the Escuela Politecnica,

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the local military academy, fled the country to join Castillo Armas, but it is known that a high military official would only say "No comment" when asked about the matter. While it is likely that the number of arrests reported by the rumor mills is greatly exaggerated, the police have apparently in the last few days been very active in searching private homes and have picked up a considerable number of individuals. The police have found it necessary to issue a formal denial of the rumor that they have arrested Colonel Angel SANCHEZ, the Minister of Defense, and Colonel Elfego MONZON, the Minister without Portfolio.

Talks between representatives of the United Fruit Company and the Bananera labor union, conducted in the presence of the Minister of Economy, Roberto FANJUL, appear to have brought the two parties to a general understanding which it is hoped will lead to the signing of a new contract on June 11 or 12 and the early ending of the strike at Bananera.

DOMESTIC

Suspension of Guarantees. The suspension of guarantees was effected with a suddenness that caught the Guatemalan public by surprise. President Arbenz summoned his Cabinet to a meeting on the evening of Monday, June 7, when he proposed the suspension. This proposal was promptly approved by the Cabinet and the President of Congress set to work about 12:30 a.m., June 8, summoning the legislature to consider the decree. The Congress met two hours later and at the unusual legislative hour of 3:50 a.m. voted its approval and the decree went into effect. The decree is very extensive, affecting all personal guarantees suspendable under the Constitution. The suspensions include guarantees of liberty to enter, remain in or depart from Guatemalan territory, freedom from forced labor, freedom of assembly, right to organize political parties, right to participate in political activities, inviolability of private correspondence and papers, freedom of the press and radio, inviolability of the home without judicial search order, freedom from arrest without judicial warrant, and protection against being summoned before Government authorities without notification of the reason therefor. These suspensions are more far-reaching than those the Government resorted to in July 1951 when it last suspended certain of the Constitutional guarantees. However, the Government has not yet gone as far as it went on other critical occasions when it imposed a curfew.

The Government has not explained publicly why it found it necessary to take this action at this time. It is probable that its action was a result of its general nervousness about what is widely regarded as the approaching political crisis, and specifically, the Government may have felt it necessary to take this

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action to prevent the spread of news about the rumored desertion of the military airplane and the flight of certain of the cadets from the military academy. The Government may also have been particularly concerned by the increasingly menacing attitude adopted by the clandestine radio station, whose programs are widely heard in the country and which is constantly calling the people to be on the alert for political developments of great import.

Effects of Suspension. The most visible effect of the suspension of guarantees has been the change in the complexion of the press, as a result of the imposition of censorship in the hands of the presumably crypto-Communist, Raúl LEIVA, and a board of other extreme leftists. The independent press which in recent weeks reported sensationally the developing political crisis in Guatemala, has, since the suspension, limited its coverage to international events and to such startling local developments as the doings of the Red Cross and the texts of Government decrees. Editorial comment of local significance has ceased altogether in these newspapers. The whole issue of the newspaper Impacto was confiscated by the Government on June 9. Even the pro-Communist, Government-financed Nuestro Diario has shown the effects of censorship, one of its issues carrying a number of blank spaces and its editorials have been somewhat less violent against the anti-Communists than heretofore. The Communist Tribuna Popular seems least changed by the censorship and it continues to attack the United States, the United Fruit Company and the anti-Communists with much the same vehemence as before.

Press despatches to the outside world by the bevy of foreign reporters now flitting around Guatemala have at times been subjected to heavy blue-pencilling and to delays of from four to 36 hours by the Government censors. A reporter of the Baltimore Sun managed to telephone directly to his newspaper and thus pass his despatch without censorship, but it is assumed that the Guatemalan Government will quickly plug this loophole in its Iron Curtain.

Arrests and Political Refugees. It is impossible to get precise information about the arrests being effected by the police, but the concensus is that they are numerous. Between June 4 and the clamping down of censorship on June 9, local newspapers reported arrest by the police or disappearance of Gabriel MARTINEZ del Rosal, a well-known anti-Communist leader, Benjamín DOMINGUEZ, an employee of the United Fruit Company in Puerto Barrios, and Alberto MERLOS, leader of a small anti-Communist labor committee. Actually, the suspension of guarantees, as far as the arrest of political suspects and the entering of private homes is concerned, has merely legalized what has been established police procedure in political cases.

On June 4, eight Guatemalans who had in the previous week obtained asylum in the Salvadoran and Ecuadoran diplomatic

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missions, left the country under safe conducts from the Guatemalan Government. One of the refugees, Dr. Hector GOICEALA Villacorta, declared to friends and newspapermen assembled at the airport to see the party off, "We shall return soon to the country. I have no particular plan but I know that I shall not wait long in exile".

Flight of American and Guatemalan Aviators. The local press, before the imposition of censorship, gave considerable attention to the escape from the country on June 4 in a light Cessna aircraft of Colonel Rodolfo MENDOZA Azurdia, former Chief of Guatemalan Military Aviation, and Ferdinand SCHUPP, Major in the United States Air Mission before his retirement from the U.S. Air Force some two years ago. The reason for their flight is unknown but it is reliably reported that they reached El Salvador where Colonel Mendoza, at least, was granted political asylum. Since retiring from the U.S. Air Force, Major Schupp had resided in Guatemala, being engaged in the growing of kenaf and later in various odd jobs. The Communist newspaper Tribuna Popular on June 8 stated that Major Schupp's retirement from the Air Force was nothing but a comedy to disguise his real activities in Guatemala, and cited this as "a new case which reveals the barefaced intervention of North American diplomatics in Guatemala".

Preparations by Peasants to Defend the Government. As reported in Weeka No. 22 of June 4, Leonardo CASTILLO Flores, the Secretary General of the peasant organization Confederación Nacional Campesino de Guatemala (CNCG), telegraphed all peasants' unions throughout the country, directing them to be alert, to inform the central office of the CNCG of any developments so that it would be possible to proceed to combat the enemies of the Revolution, and to expect delegates from the CNCG who would instruct the local leaders of what steps they should take in an emergency. The Embassy has learned from a reliable source that the CNCG is directing its affiliates to be ready on advice from the central office or the President to take over all farms, rounding up farm owners and delivering them to the authorities in the neighboring towns. While the order is understood to contain the specific injunction that the laborers should avoid violence in carrying out these instructions, it would be difficult to imagine that the peasants, drunk with a new-found power and not improbably with rum, could induce highly nervous and armed farm owners to abandon the security of their homes without many instances of bloodshed.

Local independent newspapers have pointed to this order as a preparation for a St. Bartholomew massacre and for the establishment of a second military force within the country. Castillo Flores has replied to these accusations, declaring that the CNCG is preparing only to defend the Revolution and has no desire to provoke violence. He also stated that the peasants will "place

themselves at the orders of the National Army of the Revolution to combat the traitors to Guatemala, or any other forces which threaten the national sovereignty and the sacred integrity of the country". He admitted, however, that he had received many requests from the peasants for military instruction by the Guatemalan Army, but he did not state that such instruction had been forthcoming.

Organizing of Other Leftist Would-Be Military Forces. Other leftist forces have also spoken of organizing themselves for military action. The labor confederation, CGTG, as reported in the previous Weeka, on June 2 repeated its willingness to stand behind President Arbenz in armed defense of the country, the railway workers' union SAMF, in a recent meeting voted "to be alert against any aggression which may be made against our country", while the Communist front youth organization, Alianza de Juventud Democratico, in a meeting on June 9 resolved to organize a brigade and to request military instruction from the chief of the armed forces. According to the newspaper Tribuna Popular, all the young men present enrolled in this brigade except "those who already belonged to other brigades which have been formed in other organizations".

It is likely that one of the most severe tests of the Revolution will surround the question of the giving of military instruction, and the obviously concomitant giving of arms to these leftist organizations. The arming of the peasants and workers has been rumored extensively, but there is little concrete evidence so far at hand to support the rumor. Nevertheless, the arming of these leftist organizations would undoubtedly give the Communists the power to challenge the Guatemalan Army, and should efforts be made to arm them, the Army would then be faced with a most fundamental decision as to its political future in Guatemala. In commenting on a report that Leonardo Castillo Flores, Secretary General of the peasant organizatiom CNCG, had attended a meeting of the National Defense Council, the Council denied that it had ever summoned Castillo to a meeting and that it had no affiliation with any civic, political or labor group. The gaps in the comment were not filled in.

United Fruit Company Strike. Officials of the United Fruit Company and representatives of the Sindicato de Empresa de Trabajadores de la United Fruit Company (SETUFCO), the union of agricultural workers in the Company's Bananera Division, in meetings held in the office of the Guatemalan Minister of Economy and Labor, Roberto Fanjul, on June 9 and 10 came to an agreement on the terms of a new contract which it is hoped will be signed on June 11 or 12 and which, upon approval by the General Assembly of the union, should lead to an early termination of the strike which has been in progress at Bananera since May 19. [illegible] the

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Under the agreement the Company will grant a 15 percent wage increase for workers earning less than $4.00 daily and 7 percent for those earning over that amount. The Company also agreed to raise minimum wages to $1.64 daily from the present minimum of $1.36. It seems probable that the General Assembly will approve the contract since the workers are reported to be desirous of returning to their tasks and the Communist, Carlos Manuel PELLECER, Secretary of Labor Disputes of the labor confederation Confederación General de Trabajadores de Guatemala (CGTG), was a party to the conversations and hence the Communists have presumably decided to support a settlement.

INTERNATIONAL

Domestic events were of such concern to the Guatemalan Government that it apparently had little time for international affairs and consequently the week passed without significant developments in that field.

MILITARY

Tight Security Screen Maintained on ALFHEM Arms. Several attempts on the part of qualified United States officials to gain entrance into those military installations which contain the ALFHEM arms were politely but forcefully thwarted this week. Guatemalan officials explained that in accordance with their orders, only those specifically authorized would be permitted to enter.

Military Commanders Receiving Government Indoctrination. This week several high-ranking military leaders were parroting the Government's anti-imperialist line. Officers who never before have voiced such propaganda were blaming the present tense state of affairs on the United Fruit Company's influence over our State Department. So consistent was the theme that there would be no doubt that the President's recent meetings with his military chiefs had oriented them on the Government's anti-imperialist propaganda.

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